



General Assembly

February Session, 2010

Raised Bill No. 17

LCO No. 39

00039_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

***AN ACT CONCERNING HEALTH CARE PROVIDER RENTAL
NETWORK CONTRACT ARRANGEMENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-490 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2010*):

3 As used in this section and sections 42-491, as amended by this act,
4 and 42-492:

5 (1) "Contracting entity" means (A) any entity that contracts directly
6 with a health care provider [(A)] (i) for the delivery of health care
7 services, or [(B)] (ii) for the selling, leasing, renting, assigning or
8 granting of access to a contract or terms of a contract, or (B) any
9 covered entity that subsequently sells, leases, rents, assigns or grants
10 access to such provider's health care services, discounted rates or the
11 fees established in such contract. For the purposes of this section, a
12 health care provider is not a contracting entity.

13 (2) "Covered entity" means any entity that has not contracted
14 directly with a health care provider but that buys, leases, rents, is

15 assigned or accesses a contract or terms of a contract with a health care
16 provider, that is responsible for (A) the payment or coordination of
17 health care services, or (B) the establishment or extension of health care
18 provider networks.

19 (3) "Health care provider" means any physician, physician group,
20 physician network, independent practice association, physician
21 organization or physician hospital organization.

22 (4) A contracting entity sells, leases, rents, assigns or grants access to
23 a contract or terms of a contract to a covered entity for the purposes of
24 this section and sections 42-491, as amended by this act, and 42-492
25 when such contracting entity is not involved in the administration of
26 the benefit plan responsible for the payment of health care services
27 provided by such plan.

28 Sec. 2. Section 42-491 of the 2010 supplement to the general statutes
29 is repealed and the following is substituted in lieu thereof (*Effective*
30 *October 1, 2010*):

31 (a) Any contracting entity that enters into or renews a contract with
32 a health care provider on or after January 1, 2009, and that sells, leases,
33 rents, assigns or grants access to such provider's health care services,
34 discounted rates or fees shall include in such contract a provision
35 specifically stating that such contracting entity may sell, lease, rent,
36 assign or grant access to such provider's health care services,
37 discounted rates or the fees established in such contract.

38 (b) Each such contracting entity that sells, leases, rents, assigns or
39 grants access to any covered entity, a physician panel or a health care
40 provider's health care services, discounted rates or fees shall:

41 (1) Maintain an Internet web site or a toll-free telephone number
42 through which a health care provider may obtain a listing of the
43 covered entities to which such provider's services, discounted rates or
44 fees have been sold, leased, rented, assigned or granted access. Such

45 contracting entity shall update such listing on a routine basis not less
46 than every ninety days; and

47 (2) Upon request at the time of entering into such contract, provide a
48 list to the health care provider of all known covered entities to which
49 such contracting entity may sell, lease, rent, assign or grant access to
50 such provider's health care services, discounted rates or fees. Such
51 contracting entity shall update such list on a routine basis not less than
52 every ninety days.

53 (c) Each covered entity shall pay the health care provider's
54 discounted rates or fees in accordance with the terms and conditions
55 set forth in the contract between the contracting entity and such
56 provider.

57 (d) Subject to any applicable continuity of care requirements,
58 agreements or contractual provisions with a health care provider, a
59 covered entity's right to exercise a contracting entity's rights and
60 responsibilities under a contract shall terminate on the date such
61 contracting entity's contract with such provider is terminated.

62 (e) On and after January 1, 2009, all remittance advices, whether
63 written or electronic, shall clearly identify the following:

64 (1) The name of the covered entity responsible for payment to the
65 health care provider; and

66 (2) The name of the contracting entity through which the payment
67 rate and any discounts are claimed.

68 (f) On and after January 1, 2009, any contracting entity or covered
69 entity that issues a member identification card shall clearly mark on
70 such card the address of the Internet web site or toll-free telephone
71 number set forth in subdivision (1) of subsection (b) of this section.

72 Sec. 3. (NEW) (*Effective October 1, 2010*) (a) Any violation of section
73 42-491 of the general statutes, as amended by this act, shall be deemed

74 an unfair or deceptive insurance practice under section 38a-816 of the
75 general statutes.

76 (b) The Insurance Commissioner may adopt regulations, in
77 accordance with chapter 54 of the general statutes, to carry out the
78 provisions of sections 42-490 to 42-493, inclusive, of the general
79 statutes, as amended by this act.

80 (c) Nothing in this section shall prohibit or limit any claim or action
81 by a health care provider against a contracting entity or covered entity.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2010</i>	42-490
Sec. 2	<i>October 1, 2010</i>	42-491
Sec. 3	<i>October 1, 2010</i>	New section

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Sec. 2	<i>October 1, 2010</i>	42-491
Sec. 3	<i>October 1, 2010</i>	New section

Statement of Purpose:

To require listings of covered entities be updated at least every ninety days, to prohibit covered entities from granting subsequent access to third parties to health care services, discounted rates or fees established in contracts between health care providers and contracting entities, and to specify that violations are deemed unfair or deceptive insurance practices under section 38a-816 of the general statutes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]